

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: W. R. Grace & Co., et al  
Debtor

Case No. 01-01139 Jointly Administered  
Reporting Period: November 2003

**MONTHLY OPERATING REPORT**

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

<b>REQUIRED DOCUMENTS</b>	<b>Form No.</b>	<b>Document Attached</b>	<b>Explanation Attached</b>
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (con't)	X	
Copies of bank statements		X	
Cash disbursements journals			Not available
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			Not available
Copies of Federal income tax returns filed during reporting period			None filed
Summary of Unpaid Postpetition Debts	MOR-4		See Note #4
Listing of aged accounts payable			See Note #4
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Debtor Questionnaire	MOR-5	X	

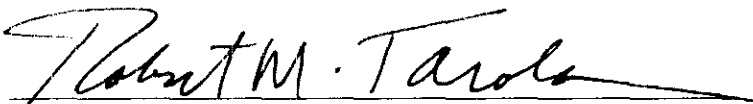
I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
Signature of Debtor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Signature of Authorized Individual\*

19 DEC 2003  
\_\_\_\_\_  
Date

Robert M. Tarola  
\_\_\_\_\_  
Printed Name of Authorized Individual

Senior Vice President and  
Chief Financial Officer  
\_\_\_\_\_  
Title of Authorized Individual

\*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

**W. R. Grace & Co.**  
**Monthly Financial Report**  
**November 30, 2003**

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**Form MOR**

**Monthly Operating Report**

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**Combined Chapter 11 Filing Entity Statements**

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**Bank Statements**

**Federal Income Tax Returns**

Attached

**Forward-Looking Information**

This monthly financial report contains forward-looking information that involves risks and uncertainties. For such information, Grace claims the protection of the safe harbor for forward-looking statements contained in the *Private Securities Litigation Reform Act of 1995*. Actual results could differ materially from the results predicted, and reported results should not be considered as a indication of future performance. Factors that could cause actual results to differ from those contained in the forward-looking information include those factors set forth in Grace's most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q, which have been filed with the Securities Exchange Commission.

**Statement of Confidentiality**

The information contained in the monthly financial report contains confidential information of W. R. Grace & Co. and its subsidiaries (the "Confidential Information"). The Confidential Information has been prepared solely for information purposes and may not be disclosed to any person or entity or reproduced, disseminated or disclosed, in whole or in part, except to officers, directors, employees, and representatives of the recipient ("Representatives") or as required by applicable law or regulation. By receipt of the Confidential Information, each recipient agrees to (1) use the Confidential Information only to enhance its understanding of Grace and its businesses, and (2) inform its Representatives of the confidential nature of such information and direct them to treat such information in accordance with the terms. Each recipient agrees to be responsible for any breach of these provisions by any of its Representatives.

## **Monthly Operating Report**

## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

November 2003

	JP Morgan Chase Disbursement 9101013572	Wachovia Lockbox 8619039102	First Union Deposit Acct 2199500021812	First Union Payroll 2079900003615	Merrill Lynch Investment 3323735	Merrill Lynch Investment 3343175	JP Morgan Chase Holding 323223141
CASH BEGINNING OF MONTH	\$ 112,706	\$ -	\$ (0)	\$ 0	\$ 79,996,635	\$ 0	\$ 735,781
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES							
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES			1,178,799		72,702		
TRANSFERS IN - NONFILING ENTITIES	200,000						
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS				1,892,511	39,400,000		
MISCELLANEOUS							
TOTAL RECEIPTS	200,000	-	1,178,799	1,892,511	39,472,702	-	-
DISBURSEMENTS							
PAYROLL				1,313,085			
PAYROLL TAXES				579,427			
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES	174,523						
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			1,157,569		35,200,000		
MISCELLANEOUS	12,867		21,230				
TOTAL DISBURSEMENTS	187,390	-	1,178,799	1,892,511	35,200,000	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	12,610	-	-	-	4,272,702	-	-
CASH - END OF MONTH	125,317	-	(0)	0	84,269,337	0	735,781

## Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

November 2003

	JP Morgan Chase Concentration 16001257	Bank of America Lockbox 8188203114	First Union Concentration 2000000282172	First Union Payroll 2079900016741	First Union Petty Cash 2079900005600	Civic Bank Payroll 15502015736	First Union Libby Medical 2079900065006
CASH BEGINNING OF MONTH	\$ 5,888,298	\$ 1,180,413	\$ 0	\$ -	\$ -	\$ 0	\$ -
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES		43,157,922					
ACCOUNTS RECEIVABLE - INTERCOMPANY		360,069					
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES	890,326						
TRANSFERS IN - NONFILING ENTITIES	13,840,034						
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	112,667,789		74,800,000	5,377,443	4,755		113,243
MISCELLANEOUS				81,182			
TOTAL RECEIPTS	127,398,149	43,517,991	74,800,000	5,458,625	4,755	-	113,243
DISBURSEMENTS							
PAYROLL				3,820,742			
PAYROLL TAXES				1,637,883			
TRADE PAYABLES - THIRD PARTIES	137,917						
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES	170,674						
TRANSFERS OUT - THIRD PARTIES	4,419,901	2,999,753			2,601		
TRANSFERS OUT - NONFILING ENTITIES	5,416,569						
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	122,825,835	39,273,867	72,922,093				
MISCELLANEOUS			1,877,907		2,154		113,243
TOTAL DISBURSEMENTS	132,970,896	42,273,620	74,800,000	5,458,625	4,755	-	113,243
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(5,572,747)	1,244,371	-	-	-	-	-
CASH - END OF MONTH	315,551	2,424,784	0	-	-	0	-

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## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

November 2003

	First Union Accts Payable 2079920005761	First Union Payroll 2079900067554	Wachovia Lockbox 1866-082535	First Union Accts payable 2079900005260	First Union Accts Payable 2079900005231	Allfirst Payroll 16298631	SunTrust Payroll 00000141309	PNC 4002641360
CASH BEGINNING OF MONTH	\$ (0)	\$ -	\$ 0	\$ 0	\$ 0	\$ 71,486	\$ 45,273	\$ 24,671
RECEIPTS								
ACCOUNTS RECEIVABLE - THIRD PARTIES			34,737,339					
ACCOUNTS RECEIVABLE - INTERCOMPANY			6,722,862					
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI								
DIP BORROWINGS								
TRANSFERS IN - THIRD PARTIES	35,465,178							
TRANSFERS IN - NONFILING ENTITIES								
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		1,322,589		2,827,669	25,918,704	3,285,929		
MISCELLANEOUS	409,314				5,600			
TOTAL RECEIPTS	35,874,493	1,322,589	41,460,201	2,827,669	25,924,304	3,285,929	-	-
DISBURSEMENTS								
PAYROLL		907,306				2,084,732		
PAYROLL TAXES		404,990				1,201,198		
TRADE PAYABLES - THIRD PARTIES	35,874,493			2,827,669	25,924,304			
TRADE PAYABLES - INTERCOMPANY								
ACCOUNT SECURITIZATION								
PAYMENTS AS SERVICER FOR GRPI								
DIP PRINCIPAL REPAYMENTS								
DIP INTEREST AND USAGE FEES								
TRANSFERS OUT - THIRD PARTIES								
TRANSFERS OUT - NONFILING ENTITIES								
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			36,971,914					
MISCELLANEOUS		10,293	4,488,287					74
TOTAL DISBURSEMENTS	35,874,493	1,322,589	41,460,201	2,827,669	25,924,304	3,285,929	-	74
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	0	-	-	-	-	(74)
CASH - END OF MONTH	(0)	-	0	0	0	71,486	45,273	24,597

## Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

November 2003

	Hibernia Natl Disbursement 101391210	Bank of America Payroll 0000 0002 2137	Allfirst Payroll 16298657	First Union Petty Cash 2040000016900	Banco de Credito Operating Acct 931115122058	Banco de Credito Operating Acct 1931125963172	Banco de Credito Time Deposit 0015820
CASH BEGINNING OF MONTH	\$ 10,000	\$ -	\$ 264,542	\$ 56,332	\$ 10,065	\$ 263,636	\$ -
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES					13,561	62,005	
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES							
TRANSFERS IN - NONFILING ENTITIES							
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS			4,969,234				
MISCELLANEOUS							
TOTAL RECEIPTS	-	-	4,969,234	-	13,561	62,005	-
DISBURSEMENTS							
PAYROLL			3,404,426		287		
PAYROLL TAXES			1,564,808				
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES					14,368		
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS							
MISCELLANEOUS					5,498	1,062	
TOTAL DISBURSEMENTS	-	-	4,969,234	-	20,153	1,062	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-	-	(6,592)	60,943	-
CASH - END OF MONTH	10,000	-	264,542	56,332	3,472	324,579	-

## Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

November 2003

	Bank of Boston Operating Acct 0154519	Bank of Boston Operating Acct 0154424	Cash in Transit	Cash on Hand	Other	CURRENT MONTH	
						ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 5,920	\$ 584,339	\$ 0	\$ 49,425	\$ 360,445	\$ 89,659,969	
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES		273,164	3,243,096			81,487,087	
ACCOUNTS RECEIVABLE - INTERCOMPANY						7,082,931	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI						-	
DIP BORROWINGS						-	
TRANSFERS IN - THIRD PARTIES	101,522					37,708,528	
TRANSFERS IN - NONFILING ENTITIES						14,040,034	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS						272,579,868	
MISCELLANEOUS					84,554	580,650	
TOTAL RECEIPTS	101,522	273,164	3,243,096	-	84,554	413,479,089	-
DISBURSEMENTS							
PAYROLL	7,337					11,537,914	
PAYROLL TAXES	12,699					5,401,005	
TRADE PAYABLES - THIRD PARTIES						64,764,383	
TRADE PAYABLES - INTERCOMPANY		370,536				370,536	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI						-	
DIP PRINCIPAL REPAYMENTS						-	
DIP INTEREST AND USAGE FEES						170,674	
TRANSFERS OUT - THIRD PARTIES	66,753	85,000				7,762,900	
TRANSFERS OUT - NONFILING ENTITIES						5,416,569	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS						308,351,278	
MISCELLANEOUS	8,995	16,078				6,557,689	
TOTAL DISBURSEMENTS	95,784	471,614	-	-	-	410,332,948	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	5,738	(198,450)	3,243,096	-	84,554	3,146,151	-
CASH - END OF MONTH	11,658	385,889	3,243,096	49,425	444,999	92,806,120	\$ -

## Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.



W.R. Grace &amp; Co.

## Schedule of Cash Receipts and Disbursements

MOR-1

November 2003

	JP Morgan Chase Pass Through 323881963	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ (0)	\$ (0)	
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ (0)	\$ (0)	\$ -

## Remedium Group, Inc.

## Schedule of Cash Receipts and Disbursements

MOR-1

November 2003

	JP Morgan Chase Depository/Wire 323883842	JP Morgan Chase Disbursement 601831985	Other	CURRENT MONTH	
				ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ 10,172	\$ 139	\$ 10,310	
RECEIPTS					
ACCOUNTS RECEIVABLE - THIRD PARTIES				-	
ACCOUNTS RECEIVABLE - INTERCOMPANY				-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				-	
DIP BORROWINGS				-	
TRANSFERS IN - THIRD PARTIES				-	
TRANSFERS IN - NONFILING ENTITIES	207			207	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		106,439		106,439	
TOTAL RECEIPTS	207	106,439	-	106,646	
DISBURSEMENTS					
PAYROLL				-	
PAYROLL TAXES				-	
TRADE PAYABLES - THIRD PARTIES				-	
TRADE PAYABLES - INTERCOMPANY				-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI				-	
DIP PRINCIPAL REPAYMENTS				-	
DIP INTEREST AND USAGE FEES				-	
TRANSFERS OUT - THIRD PARTIES		129,419	73,279	202,698	
TRANSFERS OUT - NONFILING ENTITIES				-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	207			207	
MISCELLANEOUS		38,893		38,893	
TOTAL DISBURSEMENTS	207	168,312	73,279	241,798	
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	(61,873)	(73,279)	(135,152)	
CASH - END OF MONTH	-	(51,701)	(73,140)	(124,841)	

Darex Puerto Rico, Inc.

## Schedule of Cash Receipts and Disbursements

MOR-1

November 2003

	Citibank Operating Acct 3001S3011	Petty Cash	Other	CURRENT MONTH	
				ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 5,367,004	\$ 1,500	\$ (51,673)	\$ 5,316,831	
RECEIPTS					
ACCOUNTS RECEIVABLE - THIRD PARTIES	354,450			354,450	
ACCOUNTS RECEIVABLE - INTERCOMPANY				-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				-	
DIP BORROWINGS				-	
TRANSFERS IN - THIRD PARTIES				-	
TRANSFERS IN - NONFILING ENTITIES				-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS				-	
TOTAL RECEIPTS	354,450	-	-	354,450	-
DISBURSEMENTS					
PAYROLL	10,218			10,218	
PAYROLL TAXES				-	
TRADE PAYABLES - THIRD PARTIES				-	
TRADE PAYABLES - INTERCOMPANY				-	
ACCOUNT SECURITIZATION				-	
PAYMENTS AS SERVICER FOR GRPI				-	
DIP PRINCIPAL REPAYMENTS				-	
DIP INTEREST AND USAGE FEES				-	
TRANSFERS OUT - THIRD PARTIES				-	
TRANSFERS OUT - NONFILING ENTITIES				-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS				-	
MISCELLANEOUS				-	
TOTAL DISBURSEMENTS	10,218	-	-	10,218	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	344,232	-	-	344,232	-
CASH - END OF MONTH	5,711,236	1,500	(51,673)	5,661,063	-

CC Partners			
Schedule of Cash Receipts and Disbursements			
MOR-1			
November 2003			
	First Union Deposit Acct 2199500031802	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Kootenai Development Company Schedule of Cash Receipts and Disbursements MOR-1 November 2003			
	First National Bank of Montana 1049097	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 29,162	\$ 29,162	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 29,162	\$ 29,162	\$ -

Grace Europe, Inc. Schedule of Cash Receipts and Disbursements MOR-1 November 2003			
	Barclays Bank PLC	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)		-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Dewey & Almy, LLC			
Schedule of Cash Receipts and Disbursements			
MOR-1			
November 2003			
	Miscellaneous	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 1,000	\$ 1,000	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 1,000	\$ 1,000	\$ -

<b>Gloucester New Communities Company, Inc.</b> <b>Schedule of Cash Receipts and Disbursements</b> <b>MOR-1</b> <b>November 2003</b>			
	Cash On Hand	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 500	\$ 500	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)		-	-
CASH - END OF MONTH	\$ 500	\$ 500	\$ -



**W. R. Grace & Co. - Conn**  
**Bank Reconciliations**  
**October 2003**  
**MOR-1**

	JP Morgan Chase Disbursement 9101013572		Wachovia Lockbox 8619039102		First Union Deposit Acct 2199500021812		Merril Lynch Investment 3323735		Merril Lynch Investment 31833431756	
Balance per books	\$	112,706	\$	-	\$	-	\$	79,996,635	\$	-
Bank Balance	\$	85,000	\$	-	\$	15,519	\$	79,996,635	\$	-
(+) Deposits in transit		-		-		-		-		-
(-) Outstanding checks		-		-		-		-		-
Other		27,706		-		(15,519)		-		-
Adjusted bank balance	\$	112,706	\$	-	\$	(0)	\$	79,996,635	\$	-
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
Other										
Transfers between bank accounts										
Accounting error										
Interest not recorded on books										
Bank fees not recorded on books										
Payroll tax payments not recorded										
Unreconciled bank activity		33,767								
Unreconciled ledger activity		(6,061)								
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Reporting reclass						(15,519)				
Unrecorded deposit										

	JP Morgan Chase Holding 323223141	JP Morgan Chase Concentration 16001257	Bank of America Lockbox 8188203114	First Union Concentration 2003000282172	First Union Payroll 2079900016741					
Balance per books	\$ 735,781	\$ 5,888,298	\$ 1,180,413	\$ -	\$ -					
Bank Balance	\$ 736,364	\$ 5,888,298	\$ 1,180,413	\$ 2,533,214	\$ -					
(+) Deposits in transit	-	-	-	-	-					
(-) Outstanding checks	-	-	-	-	(154,326)					
Other	(583)	-	-	(2,533,214)	154,326					
Adjusted bank balance	\$ 735,781	\$ 5,888,298	\$ 1,180,413	\$ -	\$ -					
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck #	Amount	Ck #	Amount	Ck #	Amount	Ck #	Amount	Ck #	Amount
									Detail available	
Other										
Transfers between bank accounts										
Accounting error										
Interest not recorded on books		(583)								
Bank fees not recorded on books										
Payroll tax payments not recorded										
Unreconciled bank activity										
Unreconciled ledger activity										(13,941)
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Reporting reclass										
Unrecorded deposit								(2,533,214)		168,267

W. R. Grace & Co. - Conn  
Bank Reconciliations  
October 2003  
MOR-1

	First Union Petty Cash 2079900005600		Civic Bank Payroll 15502015736		First Union Libby Medical 2079900065006		First Union Accts Payable 2079920005761		First Union Payroll 2079900067554	
Balance per books	\$ -		\$ -		\$ -		\$ -		\$ -	
Bank Balance	\$ -		\$ -		\$ -		\$ -		\$ -	
(+) Deposits in transit	-		-		-		-		-	
(-) Outstanding checks	(579)		-		-		(6,672,253)		(109,331)	
Other	579		-		-		6,672,253		109,331	
Adjusted bank balance	\$ -		\$ -		\$ -		\$ -		\$ -	
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
	7456	(63)					Detail Available		Detail Available	
	12555	(52)								
	23329	(78)								
	25146	(305)								
	33481	(81)								
Other										
Transfers between bank accounts										
Accounting error										
Interest not recorded on books										
Bank fees not recorded on books										
Payroll tax payments not recorded										
Unreconciled bank activity		3,182						287,220		1,464
Unreconciled ledger activity		(261)						(467,356)		
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Reporting reclass		(2,322)						6,852,389		107,867
Unrecorded deposit										

	Wachovia Lockbox 1866-082535	First Union Accts payable 2079900005260	First Union Accts Payable 2079900005231			
Balance per books	\$ -	\$ -	\$ -			
Bank Balance	\$ 1,177,309	\$ -	\$ -			
(+) Deposits in transit	-	-	-			
(-) Outstanding checks	-	(1,552,242)	-			
Other	(1,177,309)	1,552,242	-			
Adjusted bank balance	\$ -	\$ -	\$ -			
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
			Detail Available			
Other						
Transfers between bank accounts						
Accounting error						
Interest not recorded on books						
Bank fees not recorded on books						
Payroll tax payments not recorded						
Unreconciled bank activity		(100)				
Unreconciled ledger activity		14,121				
Returned item adjustment						
Payroll/other activity in transit						
Petty cash funds						
Reporting reclass		(1,191,330)		1,552,242		
Unrecorded deposit						

[illegible]

	PNC 4002641360	Hibernia Natl Disbursement 101391210	Bank of America Payroll 0000 0002 2137	Allfirst Payroll 16298657	First Union Petty Cash 2040000016900
Balance per books	\$ 24,671	\$ 10,000	\$ -	\$ 264,542	\$ 56,332
Bank Balance	\$ 24,597	\$ 10,000	\$ -	\$ 278,129	\$ 40,348
(+) Deposits in transit	-	-	-	-	-
(-) Outstanding checks	-	-	-	(13,587)	-
Other	74	-	-	-	15,984
Adjusted bank balance	\$ 24,671	\$ 10,000	\$ -	\$ 264,542	\$ 56,332
Deposits in Transit	Date Amount	Date Amount	Date Amount	Date Amount	Date Amount
Outstanding Checks	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount
				Detail A available	
Other					
Transfers between bank accounts					
Accounting error					
Interest not recorded on books					
Bank fees not recorded on books					
Payroll tax payments not recorded	74				
Unreconciled bank activity					(16)
Unreconciled ledger activity					
Returned item adjustment					
Payroll/other activity in transit					
Petty cash funds					16,000
Reporting reclass					
Unrecorded deposit					

**W. R. Grace & Co. - Conn**  
**Bank Reconciliations**  
**October 2003**  
**MOR-1**

	Banco de Credito Operating Acct 1931115122058		Banco de Credito Operating Acct 1931125983172		Banco de Credito Time Deposit 0015820		Bank of Boston Operating Acct 0154519		Bank of Boston Operating Acct 0154424	
Balance per books	(Soles)	34,971	(US\$)	\$ 263,636	(US\$)	\$ -	(Soles)	20,571	(US\$)	\$ 584,339
Bank Balance		\$ 34,971		\$ 263,636		\$ -		\$ 20,571		\$ 523,679
(+) Deposits in transit		-		-		-		-		61,160
(-) Outstanding checks		-		-		-		-		(500)
Other		-		-		-		-		-
Adjusted bank balance		\$ 34,971		\$ 263,636		\$ -		\$ 20,571		\$ 584,339
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
									28-Nov-03	61,160
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
									339	(500)
Other										
Transfers between bank accounts										
Accounting error										
Interest not recorded on books										
Bank fees not recorded on books										
Payroll tax payments not recorded										
Unreconciled bank activity										
Unreconciled ledger activity										
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Reporting reclass										
Unrecorded deposit										

Remedium Group, Inc. Bank Reconciliations October 2003 MOR-1				
	JP Morgan Chase Pass Through 323883842		JP Morgan Chase Disbursement 601831935	
Balance per books	\$ -		\$ 10,172	
Bank Balance	\$ -		\$ -	
(+) Deposits in transit	-		-	
(-) Outstanding checks	-		(28,721)	
Other	-		38,893	
Adjusted bank balance	\$ -		\$ 10,172	
Deposits in Transit	Date	Amount	Date	Amount
Outstanding Checks	Ck #	Amount	Ck #	Amount
			5058	(150)
			5066	(295)
			5073	(150)
			5092	(150)
			5094	(120)
			5095	(295)
			5099	(21)
			5112	(1,240)
			5115	(13,199)
			5116	(60)
			5118	(200)
			5122	(1,720)
			5123	(4,818)
			5124	(4)
			5125	(5,438)
			5126	(861)
Other				
Transfers between bank accounts				
Accounting error				
Interest not recorded on books				
Bank fees not recorded on books				
Payroll tax payments not recorded				
Unreconciled bank activity				
Unreconciled ledger activity				38,893
Returned item adjustment				
Payroll activity in transit				
Petty cash funds				



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Darex Puerto Rico, Inc. Bank Reconciliations October 2003 MOR-1		
	Citibank Operating Acct 300153011	
Balance per books	\$ 5,367,004	
Bank Balance	\$ 5,579,380	
(+) Deposits in transit	3,647	
(-) Outstanding checks	(230,264)	
Other	14,241	
Adjusted bank balance	\$ 5,367,004	
Deposits in Transit	Date	Amt
	24-Oct-03	3,647
Outstanding Checks	Ck #	Amt
	15461	(27)
	15904	(728)
	16439	(7,224)
	16555	(258)
	16589	(10,744)
	16604	(2,649)
	16609	(537)
	16625	(45)
	16635	(2,435)
	16636	(1,320)
	16637	(7,997)
	16638	(90,241)
	16639	(5,207)
	16640	(250)
	16641	(11,571)
	16642	(420)
	16643	(82)
	16644	(770)
	16645	(235)
	16647	(3,810)
	16648	(3,947)
	16649	(3,618)
	16650	(30,237)
	16651	(468)
	16652	(541)
	16653	(1,016)
	16654	(45)
	16655	(3,000)
	16656	(27,514)
	16657	(186)
	16658	(11,774)
	16659	(100)
	16660	(96)
	various	(1,172)
Other		
Transfers between bank accounts		
Accounting error		
Interest not recorded on books		
Bank fees not recorded on books		565
Payroll tax payments not recorded		
Unreconciled bank activity		6,452
Unreconciled ledger activity		7,224
Returned item adjustment		
Payroll activity in transit		
Petty cash funds		

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**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended October 31, 2003**

	W.R. Grace & Co. - Conn.	W.R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.	Litigation Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.
Net sales to third parties	\$ 62,128,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	20,442,872	-	-	-	-	-	-	-	-
Net sales to filing entities	263,473	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	1,165,144	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(5,287,437)	4,129,918	714,233	19,173	845,233	-	2,602,915	-	-
Other income	(310,089)	-	-	-	-	-	-	-	-
	78,402,171	4,129,918	714,233	19,173	845,233	-	2,602,915	-	-
Cost of goods sold to third parties	41,516,670	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	17,176,092	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	220,122	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	23,022,913	-	6,016	-	-	25,460	-	-	-
Research and development expenses	2,596,515	-	-	-	-	-	-	-	-
Depreciation and amortization	4,770,834	-	2,317	-	-	-	-	-	-
Interest expense	1,501,957	-	-	-	-	-	-	-	-
	90,805,104	-	8,333	-	-	25,460	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	(12,402,933)	4,129,918	705,900	19,173	845,233	(25,460)	2,602,915	-	-
Chapter 11 reorganization expenses, net	(628,064)	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	4,430,986	(1,445,471)	(247,170)	(6,710)	(295,831)	327	(911,020)	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ (8,600,011)</b>	<b>\$ 2,684,447</b>	<b>\$ 458,730</b>	<b>\$ 12,463</b>	<b>\$ 549,402</b>	<b>\$ (25,133)</b>	<b>\$ 1,691,895</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended October 31, 2003**

	Grace International Holdings, Inc.	Darax Puerto Rico, Inc.	Alewife Land Corporation	Alewife Boston, Ltd.	Five Alewife Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
Net sales to third parties	\$ -	\$ 386,623	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	1,752,990	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(3,021,074)	-	-	-	-	-	-	-	-
Other income	25,898	-	-	-	-	-	-	-	-
	(1,242,186)	386,623	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	258,705	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	35,058	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	99,158	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	7,881	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
	-	400,803	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	(1,242,186)	(14,179)	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	402,706	4,963	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ (839,480)</b>	<b>\$ (9,216)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended October 31, 2003**

	Kootenai Development Company	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern oil, Resin & Fiberglass, Inc.	Guanica- Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.	Grace Tarpon Investors, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.



**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended October 31, 2003**

	G C Limited Partners I, Inc.	Monolith Enterprises, Incorporated	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc	Hanover Square Corporation	Ecarg, Inc.	W.R. Grace Land Corporation	G C Management, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended October 31, 2003**

	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended October 31, 2003**

	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.	Coalgrace II, Inc.	Gracecoal II, Inc.	Gracoal, Inc.	Grace Drilling Company
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities Combining Statement of Operations MOR - 2 Month Ended October 31, 2003							
	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	COMBINED FILING ENTITIES
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,514,832
Net sales to non-filing entities	-	-	-	-	-	-	20,442,872
Net sales to filing entities	-	-	-	-	(263,473)	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	2,918,134
Interest and royalties from filing entities, net	-	-	-	-	(2,960)	-	-
Other income	-	-	-	-	-	-	(284,191)
	-	-	-	-	(268,433)	-	85,591,647
Cost of goods sold to third parties	-	-	-	-	-	-	41,775,375
Cost of goods sold to non-filing entities	-	-	-	-	-	-	17,176,092
Cost of goods sold to filing entities	-	-	-	-	(255,181)	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	23,153,547
Research and development expenses	-	-	-	-	-	-	2,596,515
Depreciation and amortization	-	-	-	-	-	-	4,781,033
Interest expense	-	-	-	-	-	-	1,501,957
	-	-	-	-	(255,181)	-	90,984,519
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	(11,252)	-	(5,392,873)
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	(628,064)
(Provision for) benefit from income taxes	-	-	-	-	-	-	1,932,780
Minority interest in income of subsidiary	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	4,325,249	4,325,249
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (11,252)</b>	<b>\$ 4,325,249</b>	<b>\$ 237,092</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**November 30, 2003**

	W.R. Grace & Co. - Conn	W.R. Grace & Co.	Remediation Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 92,806,120	\$ -	\$ (124,841)	\$ -	\$ -	\$ -
Accounts and other receivables, net	109,234,589	-	23,965	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	345,315,317	(419,332,541)	(5,758,261)	12,894,112	(37,730,375)	(9,676,908)
Inventories	83,343,101	-	-	-	-	-
Deferred income taxes	40,670,690	-	57,044	-	-	-
Other current assets	24,332,725	-	-	-	-	-
<b>Total Current Assets</b>	695,702,543	(419,332,541)	(5,802,093)	12,894,112	(37,730,375)	(9,676,908)
Properties and equipment, net	379,595,437	-	459,974	-	-	-
Goodwill	14,499,090	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	88,998,677	-	-	-	-	-
Deferred income taxes	724,183,442	-	44,101,884	-	-	-
Asbestos-related insurance receivable	269,395,809	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(1,235,861,571)	845,921,271	129,075,205	4,802,351	207,518,119	-
Investment in filing and non-filing entities	782,120,792	241,512,111	-	-	-	-
Other assets	86,191,878	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,804,826,096</b>	<b>\$ 668,100,840</b>	<b>\$ 167,834,970</b>	<b>\$ 17,696,463</b>	<b>\$ 169,787,744</b>	<b>\$ (9,676,908)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	35,123,436	-	21,102	-	-	-
Income taxes payable	(0)	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	68,499,148	-	45,084	-	-	724
<b>Total Current Liabilities</b>	103,622,584	-	66,186	-	-	724
Debt payable after one year	(438,134)	-	-	-	-	-
Deferred income taxes	148,494,249	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	206,921,306	0	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	458,600,005	0	66,186	-	-	724
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	549,305,404	-	-	-	-	-
Accounts payable	31,439,340	-	665,607	-	-	-
Income taxes payable	193,900,481	15,786,504	372,022	68,694	3,254,146	(54,350)
Asbestos-related liability	963,352,941	-	-	-	-	-
Other liabilities	438,408,707	188,091	126,168,365	-	32,094,183	-
<b>Total Liabilities Subject to Compromise</b>	2,176,406,874	15,974,595	127,205,994	68,694	35,348,329	(54,350)
<b>Total Liabilities</b>	2,635,006,879	15,974,595	127,272,180	68,694	35,348,329	(53,626)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	83,968,960	769,956	12,223	1,000	-	1,000
Paid in capital	142,809,878	428,448,120	9,724,449	34,052,467	56,011,577	-
(Accumulated deficit)/Retained earnings	(714,587,507)	358,810,788	30,826,118	(16,425,697)	78,427,838	(9,624,282)
Treasury stock, at cost	-	(135,902,719)	-	-	-	-
Accumulated other comprehensive loss	(342,372,113)	100	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(830,180,782)	652,126,245	40,562,790	17,627,769	134,439,415	(9,623,282)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 1,804,826,096</b>	<b>\$ 668,100,840</b>	<b>\$ 167,834,970</b>	<b>\$ 17,696,463</b>	<b>\$ 169,787,744</b>	<b>\$ (9,676,908)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities****Combining Balance Sheet****MOR - 3****November 30, 2003**

	Litigation Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewile Land Corporation
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 5,661,063	\$ -
Accounts and other receivables, net	-	86,091	-	-	2,909,024	-
Receivables from/(payables to) filing and non-filing entities, net	(386,938,310)	5,607,921	140,524,854	(84,749,767)	(2,201,842)	(5,446,739)
Inventories	-	(0)	-	-	307,297	-
Deferred income taxes	-	81,672	-	-	13,334	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(386,938,310)	5,775,684	140,524,854	(84,749,767)	6,688,875	(5,446,739)
Properties and equipment, net	-	-	-	-	741,718	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	38,161	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	463,735,585	(3,275,147)	-	67,783,954	-	-
Investment in filing and non-filing entities	-	-	-	58,669,464	-	-
Other assets	-	54,000	-	-	234,335	1,427,750
<b>Total Assets</b>	<b>\$ 76,797,276</b>	<b>\$ 2,592,698</b>	<b>\$ 140,524,854</b>	<b>\$ 41,703,651</b>	<b>\$ 7,664,928</b>	<b>\$ (4,018,988)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	23,144	-	23,688	300,842	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	350,837	-	-	43,825	-
<b>Total Current Liabilities</b>	-	373,981	-	23,688	344,668	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	0	-	-	146,497	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	373,981	-	23,688	491,165	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	133,907	-
Income taxes payable	10,021,011	(889,360)	(150)	(3,769,402)	1,528,584	(175)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	233,347	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	10,021,011	(656,013)	(150)	(3,769,402)	1,662,491	(175)
<b>Total Liabilities</b>	10,021,011	(282,032)	(150)	(3,745,714)	2,153,656	(175)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	112	-	-	-	-	-
Common Stock	1,000	1,000	-	1,000	1,000	200
Paid in capital	(29,267,410)	-	25,358,993	50,937,489	-	274,606
(Accumulated deficit)/Retained earnings	96,042,562	(437,050)	115,166,011	(39,872,754)	5,510,272	(4,293,619)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	3,310,780	-	34,383,631	-	-
<b>Total Shareholders' Equity (Deficit)</b>	66,776,265	2,874,730	140,525,004	45,449,365	5,511,272	(4,018,813)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 76,797,276</b>	<b>\$ 2,592,698</b>	<b>\$ 140,524,854</b>	<b>\$ 41,703,651</b>	<b>\$ 7,664,928</b>	<b>\$ (4,018,988)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities****Combining Balance Sheet****MOR - 3****November 30, 2003**

	Alewiffe Boston Ltd.	Five Alewife Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(2,143,580)	-	(57,817,172)	(110)	(330)	(7,656)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(2,143,580)	-	(57,817,172)	(110)	(330)	(7,656)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	34,053,467	54,500,000	54,500,000	56,011,577
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ (2,143,580)</b>	<b>\$ -</b>	<b>\$ (23,763,706)</b>	<b>\$ 54,499,890</b>	<b>\$ 54,499,670</b>	<b>\$ 56,003,921</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(210)	-	-	(110)	(330)	(816)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(210)	-	-	(110)	(330)	(816)
<b>Total Liabilities</b>	(210)	-	-	(110)	(330)	(816)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	931,540	1	130	130
Paid in capital	-	-	9,408,460	54,499,999	54,499,870	54,499,870
(Accumulated deficit)/Retained earnings	(2,143,370)	-	(34,103,706)	-	-	1,504,737
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(2,143,370)	-	(23,763,706)	54,500,000	54,500,000	56,004,737
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ (2,143,580)</b>	<b>\$ -</b>	<b>\$ (23,763,706)</b>	<b>\$ 54,499,890</b>	<b>\$ 54,499,670</b>	<b>\$ 56,003,921</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities****Combining Balance Sheet****MOR - 3****November 30, 2003**

	Kootenai Development Company	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern Oil, Resin & Fiberglass, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 29,162	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(10,053)	(26,614,022)	57,347,191	(7,283,826)	-	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	6,320	-	-	-	-	-
<b>Total Current Assets</b>	<b>25,429</b>	<b>(26,614,022)</b>	<b>57,347,191</b>	<b>(7,283,826)</b>	<b>-</b>	<b>-</b>
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	1,630,940	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,656,369</b>	<b>\$ (26,614,022)</b>	<b>\$ 57,347,191</b>	<b>\$ (7,283,826)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	551,649	5,000	-	-	-	-
<b>Total Current Liabilities</b>	<b>551,649</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	<b>551,649</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(15)	(195)	10,346,794	(230)	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	<b>(15)</b>	<b>(195)</b>	<b>10,346,794</b>	<b>(230)</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>551,634</b>	<b>4,805</b>	<b>10,346,794</b>	<b>(230)</b>	<b>-</b>	<b>-</b>
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	-	5,150	-	-
Paid in capital	1,104,954	859,233	3,671,658	5,144,850	-	-
(Accumulated deficit)/Retained earnings	(219)	(27,478,060)	43,427,950	(12,433,596)	-	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	(99,212)	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	<b>1,104,735</b>	<b>(26,618,827)</b>	<b>47,000,396</b>	<b>(7,283,596)</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 1,656,369</b>	<b>\$ (26,614,022)</b>	<b>\$ 57,347,191</b>	<b>\$ (7,283,826)</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.



**W.R. Grace & Co. - Chapter 11 Filing Entities****Combining Balance Sheet****MOR - 3****November 30, 2003**

	Guanica-Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.	Grace Tarpon Investors, Inc.	G C Limited Partners I, Inc.	Monolith Enterprises, Incorporated
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	5,824,284	(102,989)	(1,119,103)	10,284,124	330	(2,417,714)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	5,824,284	(101,989)	(1,119,103)	10,284,124	330	(2,417,714)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	94,022	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 5,824,284</b>	<b>\$ (7,966)</b>	<b>\$ (1,119,103)</b>	<b>\$ 10,284,124</b>	<b>\$ 330</b>	<b>\$ (2,417,714)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	3	-	-
<b>Total Current Liabilities</b>	-	-	-	3	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	3	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(110)	-	(110)	(560)	(560)	(450)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(110)	-	(110)	(560)	(560)	(450)
<b>Total Liabilities</b>	(110)	-	(110)	(557)	(560)	(450)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	2,000	29,000	1,000	1,000	26,000
Paid in capital	5,823,446	-	-	3,136,087	-	9,988,414
(Accumulated deficit)/Retained earnings	(52)	(9,966)	(1,147,993)	7,147,595	(110)	(12,431,678)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	5,824,394	(7,966)	(1,118,993)	10,284,682	890	(2,417,264)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 5,824,284</b>	<b>\$ (7,966)</b>	<b>\$ (1,119,103)</b>	<b>\$ 10,284,124</b>	<b>\$ 330</b>	<b>\$ (2,417,714)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities****Combining Balance Sheet****MOR - 3****November 30, 2003**

	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Properties and equipment, net	-	-	-	-	-	1,184,871
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ (26,312,455)</b>	<b>\$ (5,132,933)</b>	<b>\$ (3,350,634)</b>	<b>\$ (2,509,849)</b>	<b>\$ 840</b>	<b>\$ (45,742)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	(818)	(110)	(210)	(110)	(30)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	-	(818)	(110)	(210)	(110)	(30)
<b>Total Liabilities</b>	-	(818)	(110)	(210)	(110)	(30)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	1,000	1,000	1,000	50
Paid in capital	-	-	-	-	-	50
(Accumulated deficit)/Retained earnings	(26,312,455)	(5,132,115)	(3,351,524)	(2,510,639)	(50)	(45,812)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(26,312,455)	(5,132,115)	(3,350,524)	(2,509,639)	950	(45,712)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ (26,312,455)</b>	<b>\$ (5,132,933)</b>	<b>\$ (3,350,634)</b>	<b>\$ (2,509,849)</b>	<b>\$ 840</b>	<b>\$ (45,742)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities****Combining Balance Sheet****MOR - 3****November 30, 2003**

	W.R. Grace Land Corporation	G C Management, Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	36,708,324	-	(73,061)	(12,559,518)	173,455	(19,446,272)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	36,708,324	-	(73,061)	(12,559,518)	173,455	(19,445,772)
Properties and equipment, net	-	-	-	-	438,445	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	6,284,806	-	-	-	-	-
Other assets	-	-	-	-	-	4,066
<b>Total Assets</b>	<b>\$ 42,993,130</b>	<b>\$ -</b>	<b>\$ (73,061)</b>	<b>\$ (12,559,518)</b>	<b>\$ 611,900</b>	<b>\$ (19,441,706)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	4,066
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	199	17,970
<b>Total Current Liabilities</b>	-	-	-	-	199	22,036
Debt payable after one year	-	-	-	-	438,134	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	438,333	22,036
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(812)	-	(110)	(265)	(750)	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(812)	-	(110)	(265)	(750)	-
<b>Total Liabilities</b>	(812)	-	(110)	(265)	437,583	22,036
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	5,000	-	1,000	85,539	1,000	5,000
Paid in capital	19,577,160	-	-	6,541,055	4,000	6,000,000
(Accumulated deficit)/Retained earnings	23,411,782	-	(73,951)	(19,185,847)	169,317	(25,468,742)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	42,993,942	-	(72,951)	(12,559,253)	174,317	(19,463,742)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 42,993,130</b>	<b>\$ -</b>	<b>\$ (73,061)</b>	<b>\$ (12,559,518)</b>	<b>\$ 611,900</b>	<b>\$ (19,441,706)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities****Combining Balance Sheet****MOR - 3****November 30, 2003**

	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	23,479,087	6,345,361	810,265	59,581,612	(185)	(86,721)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	23,479,087	6,345,361	810,265	59,581,612	(185)	(86,721)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 23,479,087</b>	<b>\$ 6,345,361</b>	<b>\$ 810,265</b>	<b>\$ 59,581,612</b>	<b>\$ (185)</b>	<b>\$ (86,721)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(1,062)	(300)	(335)	(380)	(185)	(110)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(1,062)	(300)	(335)	(380)	(185)	(110)
<b>Total Liabilities</b>	(1,062)	(300)	(335)	(380)	(185)	(110)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,090,000	1,000	1,000	303,000	-	-
Paid in capital	33,631,999	18,090,032	-	37,765,000	-	1,900,000
(Accumulated deficit)/Retained earnings	(11,241,851)	(11,745,371)	809,600	97,649,232	-	(1,986,611)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	23,480,148	6,345,661	810,600	59,581,232	-	(86,611)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 23,479,087</b>	<b>\$ 6,345,361</b>	<b>\$ 810,265</b>	<b>\$ 59,581,612</b>	<b>\$ (185)</b>	<b>\$ (86,721)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities****Combining Balance Sheet****MOR - 3****November 30, 2003**

	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	352,712,699	4,389,612	(15,750,664)	5,296,889	875,359	(5,289)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	352,712,699	4,389,612	(15,750,664)	5,296,889	875,359	(5,289)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(35,903,123)	(14,135,725)	-	-	-	-
Investment in filing and non-filing entities	187,272,210	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 504,081,786</b>	<b>\$ (9,746,113)</b>	<b>\$ (15,750,664)</b>	<b>\$ 5,296,889</b>	<b>\$ 875,359</b>	<b>\$ (5,289)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(119)	(110)	-	(310)	(310)	(235)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(119)	(110)	-	(310)	(310)	(235)
<b>Total Liabilities</b>	(119)	(110)	-	(310)	(310)	(235)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	1,000	(114,960)	100	1,000	1,000
Paid in capital	451,425,156	(2,089,027)	34,215,000	-	-	-
(Accumulated deficit)/Retained earnings	52,655,749	(7,657,976)	(49,850,704)	5,297,099	874,669	(6,054)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	504,081,905	(9,746,003)	(15,750,664)	5,297,199	875,669	(5,054)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 504,081,786</b>	<b>\$ (9,746,113)</b>	<b>\$ (15,750,664)</b>	<b>\$ 5,296,889</b>	<b>\$ 875,359</b>	<b>\$ (5,289)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**November 30, 2003**

	Coalgrace II, Inc.	Gracoal II, Inc.	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	108,105	130,215,608	145,239,206	(81,115,113)	47,407,796	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	108,105	130,215,608	145,239,206	(81,115,113)	47,407,796	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 108,105</b>	<b>\$ 130,215,608</b>	<b>\$ 145,239,206</b>	<b>\$ (81,115,113)</b>	<b>\$ 47,407,796</b>	<b>\$ -</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	25,994,513	25,994,513	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	25,994,513	25,994,513	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(335)	3,033,023	3,033,123	(480)	(110)	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(335)	3,033,023	3,033,123	(480)	(110)	-
<b>Total Liabilities</b>	(335)	29,027,536	29,027,636	(480)	(110)	-
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	1,000	100	124,473	1,000	-
Paid in capital	-	30,293,750	13,880,108	51,173,713	7,308,934	-
(Accumulated deficit)/Retained earnings	107,440	70,893,322	102,331,362	(132,412,819)	40,097,972	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	108,440	101,188,072	116,211,570	(81,114,633)	47,407,906	-
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 108,105</b>	<b>\$ 130,215,608</b>	<b>\$ 145,239,206</b>	<b>\$ (81,115,113)</b>	<b>\$ 47,407,796</b>	<b>\$ -</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities****Combining Balance Sheet****MOR - 3****November 30, 2003**

	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	Reporting Reclasses
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	-	-	-	-	-
Inventories	-	-	-	-	-
Deferred income taxes	-	-	-	-	(5,660,315)
Other current assets	-	-	-	-	-
<b>Total Current Assets</b>	-	-	-	-	(5,660,315)
Properties and equipment, net	-	-	-	-	-
Goodwill	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-
Deferred income taxes	-	-	-	-	(200,629,772)
Asbestos-related insurance receivable	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-
Investment in filing and non-filing entities	-	-	(1,317,802,717)	127,789,812	2,000,000
Other assets	-	-	(1,101,232)	-	-
<b>Total Assets</b>	\$ -	\$ -	\$ (1,318,903,999)	\$ 127,789,812	\$ (204,290,087)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>					
<b>Liabilities Not Subject to Compromise</b>					
<b>Current Liabilities</b>					
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-
Income taxes payable	-	-	-	-	5,000,000
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-
Other current liabilities	-	-	-	-	(16,360,315)
<b>Total Current Liabilities</b>	-	-	-	-	(11,360,315)
Debt payable after one year	-	-	-	-	-
Deferred income taxes	-	-	-	-	(200,629,772)
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-
Other liabilities	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	(211,990,087)
<b>Liabilities Subject to Compromise</b>					
Debt, pre-petition plus accrued interest	-	-	-	-	-
Accounts payable	-	-	-	-	-
Income taxes payable	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-
Other liabilities	-	-	(100,000)	-	-
<b>Total Liabilities Subject to Compromise</b>	-	-	(100,000)	-	-
<b>Total Liabilities</b>	-	-	(100,000)	-	(211,990,087)
<b>Shareholders' Equity (Deficit)</b>					
Preferred Stock	-	-	-	-	-
Common Stock	-	-	(86,493,960)	-	-
Paid in capital	-	-	(1,198,570,000)	-	-
(Accumulated deficit)/Retained earnings	-	-	(33,740,039)	160,202,625	2,000,000
Treasury stock, at cost	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	(32,412,813)	5,700,000
<b>Total Shareholders' Equity (Deficit)</b>	-	-	(1,318,803,999)	127,789,812	7,700,000
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	\$ -	\$ -	\$ (1,318,903,999)	\$ 127,789,812	\$ (204,290,087)

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**November 30, 2003**

	COMBINED FILING ENTITIES:
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 98,373,003
Accounts and other receivables, net	112,253,669
Receivables from/(payables to) filing and non-filing entities, net	55,054,524
Inventories	83,650,397
Deferred income taxes	35,162,425
Other current assets	24,339,045
<b>Total Current Assets</b>	<b>408,833,064</b>
Properties and equipment, net	382,420,444
Goodwill	14,499,090
Cash value of company owned life insurance, net of policy loans	88,998,677
Deferred income taxes	567,693,714
Asbestos-related insurance receivable	269,395,809
Loans receivable from/(payable to) filing and non-filing entities, net	429,660,920
Investment in filing and non-filing entities	287,005,543
Other assets	88,441,688
<b>Total Assets</b>	<b>\$ 2,536,948,949</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>	
<b>Liabilities Not Subject to Compromise</b>	
<b>Current Liabilities</b>	
Debt payable within one year	\$ 0
Accounts payable	35,496,278
Income taxes payable	5,000,000
Asbestos-related liability expected to be disbursed within one year	-
Other current liabilities	53,154,123
<b>Total Current Liabilities</b>	<b>93,650,402</b>
Debt payable after one year	-
Deferred income taxes	-
Asbestos-related liability expected to be disbursed after one year	-
Other liabilities	206,921,306
<b>Total Liabilities Not Subject to Compromise</b>	<b>300,571,708</b>
<b>Liabilities Subject to Compromise</b>	
Debt, pre-petition plus accrued interest	549,305,404
Accounts payable	32,236,854
Income taxes payable	236,619,654
Asbestos-related liability	963,352,941
Other liabilities	596,992,693
<b>Total Liabilities Subject to Compromise</b>	<b>2,378,506,547</b>
<b>Total Liabilities</b>	<b>2,679,081,255</b>
<b>Shareholders' Equity (Deficit)</b>	
Preferred Stock	112
Common Stock	772,632
Paid in capital	432,133,937
(Accumulated deficit)/Retained earnings	(107,646,642)
Treasury stock, at cost	(135,902,719)
Accumulated other comprehensive loss	(331,485,627)
<b>Total Shareholders' Equity (Deficit)</b>	<b>(142,132,306)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 2,536,948,949</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.



Chart 5

<b>W. R. Grace &amp; Co. - Conn</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>November 30, 2003</b>				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
<b>Federal</b>				
Withholding	\$ -	\$ 2,093,641	\$ (2,093,641)	\$ -
FICA - Employee	3,123	992,256	(992,130)	3,249
FICA and payroll- Employer	601,408	992,256	(2,242,670)	(649,006)
Unemployment	-	4,865	(4,865)	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	<b>\$ 604,531</b>	<b>\$ 4,083,018</b>	<b>\$ (5,333,306)</b>	<b>\$ (645,757)</b>
<b>State and Local</b>				
Withholding	\$ -	\$ 729,909	\$ (730,181)	\$ (272)
Sales & Use	1,180,851	296,934	(396,333)	1,081,452
Property Taxes	3,341,244	202,684	(1,563,151)	1,980,777
Other	-	-	-	-
<b>Total State and Local</b>	<b>\$ 4,522,095</b>	<b>\$ 1,229,527</b>	<b>\$ (2,689,665)</b>	<b>\$ 3,061,957</b>
<b>Total Taxes</b>	<b>\$ 5,126,626</b>	<b>\$ 5,312,545</b>	<b>\$ (8,022,971)</b>	<b>\$ 2,416,200</b>

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

<b>Remedium Group, Inc.</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>November 30, 2003</b>				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
<b>Federal</b>				
Withholding	\$ -	\$ 13,825	\$ (13,825)	\$ -
FICA - Employee	-	2,623	(2,623)	-
FICA and payroll- Employer	-	2,623	(2,623)	-
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	\$ -	\$ 19,071	\$ (19,071)	\$ -
<b>State and Local</b>				
Withholding	\$ -	\$ 597	\$ (597)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
<b>Total State and Local</b>	\$ -	\$ 597	\$ (597)	\$ -
<b>Total Taxes</b>	\$ -	\$ 19,668	\$ (19,668)	\$ -

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

<b>Grace Washington, Inc.</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>November 30, 2003</b>				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
<b>Federal</b>				
Withholding	\$ -	\$ 4,322	\$ (4,322)	\$ -
FICA - Employee	-	232	(232)	-
FICA and payroll- Employer	-	233	(233)	-
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	\$ -	\$ 4,787	\$ (4,787)	\$ -
<b>State and Local</b>				
Withholding	\$ -	\$ 889	\$ (889)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
<b>Total State and Local</b>	\$ -	\$ 889	\$ (889)	\$ -
<b>Total Taxes</b>	\$ -	\$ 5,676	\$ (5,676)	\$ -

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

<b>L B Realty, Inc.</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>November 30, 2003</b>				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
<b>Federal</b>				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	-	-	-	-
FICA and payroll- Employer	-	-	-	-
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	\$ -	\$ -	\$ -	\$ -
<b>State and Local</b>				
Withholding	\$ -	\$ -	\$ -	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
<b>Total State and Local</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Taxes</b>	\$ -	\$ -	\$ -	\$ -

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

<b>Darex Puerto Rico, Inc.</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>November 30, 2003</b>				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
<b>Federal</b>				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	(294)	1,015	(1,015)	(294)
FICA and payroll- Employer	5,304	1,015	612	6,931
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	<b>\$ 5,010</b>	<b>\$ 2,030</b>	<b>\$ (403)</b>	<b>\$ 6,637</b>
<b>State and Local</b>				
Withholding	\$ 7	\$ 1,797	\$ (1,797)	\$ 7
Sales & Use	-	-	-	-
Property Taxes	279,583	4,064	-	283,647
Other	-	-	-	-
<b>Total State and Local</b>	<b>\$ 279,590</b>	<b>\$ 5,861</b>	<b>\$ (1,797)</b>	<b>\$ 283,654</b>
<b>Total Taxes</b>	<b>\$ 284,600</b>	<b>\$ 7,891</b>	<b>\$ (2,200)</b>	<b>\$ 290,291</b>

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 6

<b>W. R. Grace &amp; Co. - Conn</b> <b>Accounts Receivable Reconciliation and Aging</b> <b>MOR-5</b> <b>November 2003</b>	
<b>Trade Accounts Receivable Reconciliation</b>	
Trade accounts receivable, beginning of month, gross	\$ 116,831,776
Amounts billed during the period	62,128,209
Amounts collected during the period	(81,487,087)
Other	4,956,816
Trade accounts receivable at the end of month, gross	\$ 102,429,714
<b>Trade Accounts Receivable Aging</b>	
Current	\$ 73,626,978
1-30 days past due	24,316,962
31-60 days past due	4,693,100
+61 days past due	(207,326)
Trade accounts receivable, gross	102,429,714
Allowance for doubtful accounts	(823,944)
Trade accounts receivable, net	\$ 101,605,770
<b>Notes and Accounts Receivable Reconciliation</b>	
Trade accounts receivable, net	\$ 101,605,770
Customer notes and drafts receivable	899,157
Pending customer credit notes	(146,773)
Advances and deposits	5,311,639
Nontrade receivables, net	1,564,796
Total notes and accounts receivable, net	\$ 109,234,589

Chart 6

Remedium Group, Inc. Accounts Receivable Reconciliation and Aging MOR-5 November 2003	
<b>Trade Accounts Receivable Reconciliation</b>	
Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -
<b>Trade Accounts Receivable Aging</b>	
Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -
<b>Notes and Accounts Receivable Reconciliation</b>	
Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	23,965
Total notes and accounts receivable, net	\$ 23,965

Chart 6

<b>Darex Puerto Rico, Inc.</b> <b>Accounts Receivable Reconciliation and Aging</b> <b>MOR-5</b> <b>November 2003</b>	
<b>Trade Accounts Receivable Reconciliation</b>	
Trade accounts receivable, beginning of month, gross	\$ 3,116,225
Amounts billed during the period	386,623
Amounts collected during the period	(354,450)
Other	(205,229)
Trade accounts receivable at the end of month, gross	\$ 2,943,169
<b>Trade Accounts Receivable Aging</b>	
Current	\$ 1,889,079
1-30 days past due	493,631
31-60 days past due	365,180
+61 days past due	195,279
Trade accounts receivable, gross	2,943,169
Allowance for doubtful accounts	(37,625)
Trade accounts receivable, net	\$ 2,905,544
<b>Notes and Accounts Receivable Reconciliation</b>	
Trade accounts receivable, net	\$ 2,905,544
Customer notes and drafts receivable	-
Pending customer credit notes	333
Advances and deposits	-
Nontrade receivables, net	3,147
Total notes and accounts receivable, net	\$ 2,909,024



Chart 6

<b>Grace Europe, Inc.</b> <b>Accounts Receivable Reconciliation and Aging</b> <b>MOR-5</b> <b>November 2003</b>	
<b>Trade Accounts Receivable Reconciliation</b>	
Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -
<b>Trade Accounts Receivable Aging</b>	
Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -
<b>Notes and Accounts Receivable Reconciliation</b>	
Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	86,091
Total notes and accounts receivable, net	\$ 86,091

Chart 7

<b>W.R. Grace &amp; Co., et al</b> <b>Debtor Questionnaire</b> <b>MOR - 5</b> <b>November 2003</b>		
	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account for this reporting period? If yes, provide an explanation below.		See Note #5 below
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in affect? If no, provide an explanation below.	X	
5. Are post-petition accounts payable and tax obligations current and paid to date? If no, provide an explanation.	X (unless disputed in normal course of business)	

**Note #5**

As part of the first day orders submitted to the court on April 2, 2001, an application for the Debtors to (a) continue and maintain their consolidated cash management system, (b) continue and maintain their existing bank accounts and (c) continue to use existing business forms and granting related relief was included. The Debtors have continued to use their existing bank accounts and no new debtor in possession accounts have been established.

List assets sold/transferred outside the normal course of business over \$25,000:		
Description of Asset	Sale Date	Proceeds

## **Combined Chapter 11 Filing Entity Statements**

Chart 8

W. R. Grace & Co. - Chapter 11 Filing Entities				
Combined Statement of Operations				
Amounts in millions	Month Ended November 30,		Eleven Months Ended November 30,	
	2003	2002	2003	2002
Net sales to third parties	\$ 62.5	\$ 64.9	\$ 768.7	\$ 784.0
Net sales to non-filing entities	20.4	8.0	177.6	121.5
Interest and royalties from non-filing entities	2.9	(2.8)	42.6	31.7
Other income	(0.3)	0.1	9.1	15.3
	85.5	70.2	998.0	952.5
Cost of goods sold to third parties	41.7	40.5	513.7	488.1
Cost of goods sold to non-filing entities	17.2	6.1	138.5	87.8
Selling, general and administrative expenses	19.3	17.3	204.0	198.6
Depreciation and amortization	4.8	5.1	55.8	56.0
Research and development expenses	2.6	3.5	34.7	39.0
Net Pension expense	3.9	1.8	43.6	19.8
Interest expense	1.5	1.5	15.0	17.9
Provision for environmental remediation	-	-	52.5	19.2
	91.0	75.8	1,057.8	926.4
Income (loss) before Chapter 11 expenses, income taxes and equity in net income of non-filing entities	(5.5)	(5.6)	(59.8)	26.1
Chapter 11 expenses, net	(0.6)	(4.9)	(13.9)	(31.3)
Provision for income taxes	1.9	3.7	6.9	(15.0)
Equity in net income of non-filing entities	4.4	8.4	74.9	72.2
<b>Net income</b>	<b>\$ 0.2</b>	<b>\$ 1.6</b>	<b>\$ 8.1</b>	<b>\$ 52.0</b>

The Notes to Combined Financial Statements are an integral part of these statements.

## W. R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combined Functional Basis Statement of Cash Flows

	Month Ended November 30, 2003	Eleven Months Ended November 30, 2003
<i>Amounts in millions</i>		
<b><u>Core operations cash flow</u></b>		
Pre-tax income from core operations	\$ (1.9)	\$ 28.1
Depreciation and amortization	4.8	55.8
	2.9	83.9
Contributions to defined benefit pension plans	-	(48.5)
Cash received from Non-Filing entity operating loans	-	83.4
Cash received from Non-Filing entity investment	-	24.0
Changes in all core assets/liabilities and other	8.5	6.8
	11.4	149.6
Capital expenditures	(2.7)	(50.4)
<b>Core Pre-tax Operating Cash Flow</b>	<b>8.7</b>	<b>99.2</b>
<b><u>Charges against core reserves</u></b>		
Pension liabilities	(0.4)	(4.0)
Deferred compensation	-	(0.7)
Self insurance	-	(1.2)
<b>Total Spending Against Core Reserves</b>	<b>(0.4)</b>	<b>(5.9)</b>
<b>Core Cash Flow</b>	<b>8.3</b>	<b>93.3</b>
<b><u>Noncore cash flow</u></b>		
Proceeds from asset sales	-	3.5
Benefit proceeds under life insurance policies	-	11.7
Other noncore pretax cash flow	(0.5)	(4.6)
<b>Noncore Pre-tax Cash Flow</b>	<b>(0.5)</b>	<b>10.6</b>
<b><u>Charges against noncore reserves</u></b>		
<u>Asbestos</u>		
Asbestos claims processing	(0.4)	(9.3)
Less - insurance recovery	0.3	13.2
Net asbestos (payments)	(0.1)	3.9
Environmental remediation	(0.4)	(10.6)
Retained obligations and other	(0.4)	(1.7)
Postretirement benefits	(1.4)	(11.9)
<b>Total Spending Against Noncore Reserves</b>	<b>(2.3)</b>	<b>(20.3)</b>
<b>Noncore Cash Flow</b>	<b>(2.8)</b>	<b>(9.7)</b>
<b>Total Pre-tax/Pre-interest/Pre-Chapter 11 Cash Flow</b>	<b>5.5</b>	<b>83.6</b>
Cash paid for taxes, net of refunds	(0.1)	3.3
Cash paid for interest	(0.5)	(3.9)
Chapter 11 reorganization expenses paid	(1.4)	(16.3)
<b>Cash Flow before Strategic Investments</b>	<b>3.5</b>	<b>66.7</b>
<b><u>Strategic Investments</u></b>		
Cash paid for businesses acquired	-	-
<b>Cash used for Strategic Investments</b>	<b>-</b>	<b>-</b>
<b>Cash Flow after Strategic Investments</b>	<b>3.5</b>	<b>66.7</b>
Borrowings (repayments) under the DIP facility, net of fees	(0.2)	(3.7)
Net (investing)/financing activities under life insurance policies	-	(14.5)
<b>Net Cash Flow</b>	<b>\$ 3.3</b>	<b>\$ 48.5</b>

The Notes to Combined Financial Statements are an integral part of these statements.

Chart 10

W. R. Grace & Co. - Chapter 11 Filing Entities			
Combined Balance Sheet			
Amounts in millions	November 30, 2003	December 31, 2002	April 2, 2001
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 98.4	\$ 56.8	\$ 8.6
Accounts and other receivables, net	112.3	114.7	43.8
Receivables from non-filing entities, net	55.1	43.4	51.2
Inventories	83.6	70.5	80.6
Deferred income taxes	35.1	22.2	80.9
Asbestos-related insurance expected to be realized within one year	-	-	17.0
Other current assets	24.3	30.8	21.9
<b>Total Current Assets</b>	<b>408.8</b>	<b>338.4</b>	<b>304.0</b>
Properties and equipment, net	382.4	389.7	400.4
Goodwill	14.5	14.5	13.6
Cash value of life insurance policies, net of policy loans	89.0	82.4	64.1
Deferred income taxes	567.8	567.0	401.0
Asbestos-related insurance expected to be realized after one year	269.4	282.6	323.4
Loans receivable from non-filing entities, net	429.7	444.4	387.5
Investment in non-filing entities	287.0	244.7	121.0
Other assets	88.5	77.7	308.5
<b>Total Assets</b>	<b>\$ 2,537.1</b>	<b>\$ 2,441.4</b>	<b>\$ 2,323.5</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>			
<b>Liabilities Not Subject to Compromise</b>			
<b>Current Liabilities</b>			
Debt payable within one year	\$ -	-	-
Accounts payable	35.5	41.4	-
Income Taxes Payable	5.0	5.0	-
Other current liabilities	53.3	52.9	-
<b>Total Current Liabilities</b>	<b>93.8</b>	<b>99.3</b>	<b>-</b>
Debt payable after one year	-	-	-
Other liabilities	206.7	229.6	31.8
<b>Total Liabilities Not Subject to Compromise</b>	<b>300.5</b>	<b>328.9</b>	<b>31.8</b>
<b>Liabilities Subject to Compromise</b>			
Debt, pre-petition plus accrued interest	549.3	538.8	511.5
Accounts payable	32.2	32.4	43.0
Income taxes payable	236.6	227.8	210.1
Asbestos-related liability	963.4	973.2	1,002.8
Other liabilities	597.1	562.5	598.6
<b>Total Liabilities Subject to Compromise</b>	<b>2,378.6</b>	<b>2,334.7</b>	<b>2,366.0</b>
<b>Total Liabilities</b>	<b>2,679.1</b>	<b>2,663.6</b>	<b>2,397.8</b>
<b>Shareholders' Equity (Deficit)</b>			
Common stock	0.8	0.8	0.8
Paid in capital	432.1	433.0	432.6
Accumulated deficit	(107.6)	(115.7)	(201.8)
Treasury stock, at cost	(135.9)	(137.0)	(136.4)
Accumulated other comprehensive income (loss)	(331.4)	(403.3)	(169.5)
<b>Total Shareholders' Deficit</b>	<b>(142.0)</b>	<b>(222.2)</b>	<b>(74.3)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 2,537.1</b>	<b>\$ 2,441.4</b>	<b>\$ 2,323.5</b>

The Notes to Combined Financial Statements are an integral part of these statements.

**W. R. Grace & Co.**  
**Notes to Combined Financial Statements**  
**November 30, 2003**

# **1. Basis of Presentation and Summary of Significant Accounting and Financial Reporting Policies**

W. R. Grace & Co., through its subsidiaries, is engaged in specialty chemicals and specialty materials businesses on a worldwide basis. These businesses consist of catalyst and silica products ("Davison Chemicals") and construction chemicals, building materials and sealants and coatings ("Performance Chemicals").

W. R. Grace & Co. conducts substantially all of its business through a direct, wholly owned subsidiary, W. R. Grace & Co.-Conn. ("Grace-Conn."). Grace-Conn. owns substantially all of the assets, properties and rights of W. R. Grace & Co., either directly or through subsidiaries.

As used in these notes, the term "Company" refers to W. R. Grace & Co. The term "Grace" refers to the Company and/or one or more of its subsidiaries and, in certain cases, their respective predecessors.

## **VOLUNTARY BANKRUPTCY FILING**

In response to a sharply increasing number of asbestos-related bodily injury claims, on April 2, 2001 (the "Filing Date"), W. R. Grace & Co. and 61 of its United States subsidiaries and affiliates, including Grace-Conn. (collectively, the "Debtors"), filed voluntary petitions for reorganization (the "Filing") under Chapter 11 of the United States Bankruptcy Code ("Chapter 11" or the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The cases were consolidated and are being jointly administered under case number 01-01139 (the "Chapter 11 Cases"). Grace's non-U.S. subsidiaries and certain of its U.S. subsidiaries were not included in the Filing.

During 2000 and the first quarter of 2001, Grace experienced several adverse developments in its asbestos-related litigation, including: a significant increase in bodily injury claims, higher than expected costs to resolve bodily injury and certain property damage claims, and class action lawsuits alleging damages from a former attic insulation product. After a thorough review of these

developments, the Board of Directors of Grace concluded on April 2, 2001 that a federal court-supervised Chapter 11 process provided the best forum available to achieve predictability and fairness in the claims settlement process.

By filing under Chapter 11, Grace expects to be able to both obtain a comprehensive resolution of the claims against it and preserve the inherent value of its businesses. Under Chapter 11, the Debtors expect to continue to operate their businesses as debtors-in-possession under court protection from their creditors and claimants, while using the Chapter 11 process to develop and implement a plan for addressing the asbestos-related claims against them.

*Consequence of Filing* -- As a consequence of the Filing, pending litigation against the Debtors for pre-petition matters is generally stayed (subject to certain exceptions in the case of governmental authorities), and no party may take action to realize its pre-petition claims except pursuant to an order of the Bankruptcy Court.

The Debtors intend to address all of their pending and future asbestos-related claims and all other pre-petition claims in a plan of reorganization. Such a plan of reorganization may include the establishment of a trust through which all pending and future asbestos-related claims would be channeled for resolution. However, it is currently impossible to predict with any degree of certainty the amount that would be required to be contributed to the trust, how the trust would be funded, how other pre-petition claims would be treated or what impact any reorganization plan may have on the shares of common stock of the Company. The interests of the Company's shareholders could be substantially diluted or cancelled under a plan of reorganization. The formulation and implementation of the plan of reorganization is expected to take a significant period of time.

*Status of Chapter 11 Proceedings* -- Since the Filing, all motions necessary to conduct normal business activities have been approved by the Bankruptcy Court. In addition, the Debtors have received approval from the Bankruptcy Court to pay or otherwise honor certain of its pre-petition obligations in the ordinary course of business,

including employee wages and benefits, customer programs, shipping charges, and a limited amount of claims of essential trade creditors.

As provided by the Bankruptcy Code, the Debtors had the exclusive right to propose a plan of reorganization for a 120-day period following the Filing Date. The Debtors have received extensions of their exclusivity period during which to file a plan of reorganization through February 1, 2004, and extensions of the Debtors' exclusive rights to solicit acceptances of a reorganization plan through April 1, 2004.

Three creditors' committees, two representing asbestos claimants and the third representing other unsecured creditors, and a committee representing shareholders have been appointed in the Chapter 11 Cases. These committees will have the right to be heard on all matters that come before the Bankruptcy Court and, together with a legal representative of future asbestos claimants (whom Grace expects to be appointed by the Bankruptcy Court in the future), are likely to play important roles in the Chapter 11 Cases. The Debtors are required to bear certain of the committees' and the future asbestos claimants representative's costs and expenses, including those of their counsel and financial advisors.

The Debtors' Chapter 11 cases have been assigned to Judge Alfred M. Wolin, a senior federal judge who sits in Newark, New Jersey. Judge Wolin is presiding over asbestos bodily injury matters and the fraudulent conveyance litigation described below. He has assigned the Debtors' other bankruptcy matters to Judge Judith Fitzgerald, a U.S. bankruptcy judge from the Western District of Pennsylvania, sitting in Wilmington, Delaware.

*Claims Filings* – The Bankruptcy Court established a bar date of March 31, 2003 for claims of general unsecured creditors, asbestos-related property damage claims and medical monitoring claims related to asbestos. The bar date did not apply to asbestos-related bodily injury claims or claims related to Zonolite® attic insulation ("ZAI"), which will be dealt with separately.

Approximately 15,000 proofs of claim were filed by the bar date. Of these claims, approximately 10,000 were non-asbestos related, approximately 4,000 were for asbestos-related property damage, and

approximately 1,000 were for medical monitoring. In addition, approximately 400 proofs of claim were filed after the bar date. The discussion below refers to claims filed before the bar date.

Approximately 7,000 of the 10,000 non-asbestos related claims involve claims by employees or former employees for future retirement benefits such as pension and retiree medical coverage. Grace views these claims as contingent and does not plan to address them until a later date in the Chapter 11 Cases. The other non-asbestos related claims include claims for payment for goods and services; taxes; product warranties; principal plus interest under pre-petition credit facilities; amounts due under leases; contracts rejected in the Bankruptcy Court; environmental remediation; indemnification or contribution from actual or potential co-defendants in asbestos-related and other litigation; pending non-asbestos related litigation; and non-asbestos related personal injury.

The Debtors' preliminary analysis indicated that many claims are duplicates, represent the same claim filed against more than one of the Debtors, lack any supporting documentation, or provide insufficient supporting documentation. As of September 30, 2003, the Debtors had filed with the Bankruptcy Court approximately 1,100 objections with respect to such claims, most of which were non-substantive (duplicates, no supporting documentation, late filed claims, etc.). The Debtors expect to file a substantial number of additional objections, most of which will be substantive, as analysis and evaluation of the claims progresses.

As claims are resolved, Grace will make adjustments to the liabilities recorded on its financial statements as appropriate. Any such adjustments could be material to the Company's consolidated financial position and results of operations. Because of the uncertainties of the Chapter 11 process, the in-progress state of the Debtors' investigation of submitted claims, and the lack of documentation submitted in support of many claims, Grace, at this time, is not able to estimate the value of the claims that may ultimately be determined and allowed by the Bankruptcy Court.

*Litigation Proceedings in Bankruptcy Court* – In July 2002, the Bankruptcy Court approved special counsel to represent the ZAI claimants, at the



Debtors' expense, in a proceeding to determine certain threshold scientific issues regarding ZAI. The court has set a litigation schedule that would result in pretrial hearings on these issues in February of 2004.

On November 29, 2002, Sealed Air Corporation ("Sealed Air") and Fresenius Medical Care AG ("Fresenius") each announced that they had reached agreements in principle with the Official Committee of Asbestos Personal Injury Claimants and the Official Committee of Asbestos Property Damage Claimants to settle asbestos and fraudulent conveyance claims related to the 1998 transaction involving Grace's former packaging business and Sealed Air, and the 1996 transaction involving Grace's former medical care business and Fresenius, respectively. Under the terms of the Fresenius settlement, as subsequently revised and subject to certain conditions, Fresenius would contribute \$115.0 million to the Grace estate. In July 2003, the Fresenius settlement was approved by the Bankruptcy Court. Under the terms of the proposed Sealed Air settlement, Sealed Air would make a payment of \$512.5 million (plus interest at 5.5% per annum, commencing on December 21, 2002) and nine million shares of Sealed Air common stock, valued at \$474.9 million as of November 30, 2003, as directed by the Bankruptcy Court upon confirmation of Grace's plan of reorganization. The Sealed Air settlement remains subject to the approval of the Bankruptcy Court and the fulfillment of specified conditions. Grace is unable to predict how these settlements may ultimately affect its plan of reorganization.

*Impact on Debt Capital* – All of the Debtors' pre-petition debt is in default due to the Filing. The accompanying Consolidated Balance Sheet as of November 30, 2003 reflects the classification of the Debtors' pre-petition debt within "liabilities subject to compromise."

The Debtors have entered into a debtor-in-possession post-petition loan and security agreement with Bank of America, N. A. (the "DIP facility") in the aggregate amount of \$250 million. The term of the DIP facility, originally set to expire April 1, 2003, has been extended for up to an additional three years through April 1, 2006.

*Accounting Impact* – The accompanying Consolidated Financial Statements have been prepared in accordance with Statement of Position 90-7 ("SOP 90-7"), "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code," promulgated by the American Institute of Certified Public Accountants. SOP 90-7 requires that financial statements of debtors-in-possession be prepared on a going concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the ordinary course of business. However, as a result of the Filing, the realization of certain Debtors' assets and the liquidation of certain Debtors' liabilities are subject to significant uncertainty. While operating as debtors-in-possession, the Debtors may sell or otherwise dispose of assets and liquidate or settle liabilities for amounts other than those reflected in the Consolidated Financial Statements. Further, a plan of reorganization could materially change the amounts and classifications reported in the Consolidated Financial Statements, which do not currently give effect to any adjustments to the carrying value or classification of assets or liabilities that might be necessary as a consequence of a plan of reorganization.

Pursuant to SOP 90-7, Grace's pre-petition liabilities that are subject to compromise are required to be reported separately on the balance sheet at an estimate of the amount that will ultimately be allowed by the Bankruptcy Court. As of November 30, 2003, such pre-petition liabilities include fixed obligations (such as debt and contractual commitments), as well as estimates of costs related to contingent liabilities (such as asbestos-related litigation, environmental remediation, and other claims). The recorded amounts of such liabilities generally reflect accounting measurements as of the Filing Date, adjusted as warranted for changes in facts and circumstances and/or rulings under Grace's Chapter 11 proceedings subsequent to the Filing. (See Note 3 to the Consolidated Financial Statements for detail of the liabilities subject to compromise as of November 30, 2003, and December 31, 2002.) Obligations of Grace subsidiaries not covered by the Filing continue to be classified on the Consolidated Balance Sheet based upon maturity dates or the expected dates of payment. SOP 90-7 also requires separate reporting of certain expenses, realized gains and losses, and

provisions for losses related to the Filing as reorganization items.

### **Basis of Presentation**

The interim Combined Financial Statements presented herein represent the results of operations, cash flows and financial position of the Debtors. These financial statements pertain to periods beginning with, and subsequent to, the Filing Date and have been prepared in conformity with requirements of the Bankruptcy Court. Consequently, these financial statements do not purport to present the financial performance of W. R. Grace & Co. in conformity with generally accepted accounting principles which would require the consolidation of all controlled subsidiaries and more extensive notes and analysis related to the worldwide operations of W. R. Grace & Co. Financial activity of non-Debtor entities is not presented herein. However, all non-Debtor entities are either directly or indirectly controlled by the Debtors and, accordingly, non-Debtor financial results are reflected under the equity method of accounting. These financial statements are unaudited and should be read in conjunction with the consolidated financial statements presented in W. R. Grace & Co.'s 2002 Form 10-K and, when filed, its 2003 Form 10-K and other periodic filings with the U.S. Securities and Exchange Commission.

These interim Consolidated Financial Statements reflect all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of the interim periods presented under generally accepted accounting principles; all such adjustments are of a normal recurring nature. All significant inter-Debtor accounts and transactions have been eliminated. Transactions and balances with non-Debtor entities are separately disclosed. Certain amounts in prior years' Consolidated Financial Statements have been reclassified to conform to the 2003 presentation.

### **Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principals requires that management make estimates and assumptions affecting the assets and liabilities reported at the date of the Consolidated Financial Statements, and the revenues and expenses reported for the periods presented. Actual amounts could differ from those estimates. Changes in estimates are recorded in the

period identified. Grace's accounting measurements that are most affected by management's estimates of future events are:

- Contingent liabilities such as asbestos-related matters, environmental remediation, income taxes and retained obligations of divested businesses.
- Pension and post-retirement liabilities that depend on assumptions regarding discount rates and/or total returns on invested funds.
- Depreciation and amortization periods for long-lived assets, including property and equipment, intangible, and other assets.
- Realization values of various assets such as trade receivables, inventories, insurance receivables, income taxes, and goodwill.

The accuracy of these and other estimates may also be materially affected by the uncertainties arising under the Chapter 11 Cases.

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## **2. Chapter 11 Related Financial Information**

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As a result of the Filing, Grace's Consolidated Balance Sheet separately identifies the liabilities that are "subject to compromise" as a result of the Chapter 11 proceedings. In Grace's case, "liabilities subject to compromise" represent pre-petition liabilities as determined under U.S. generally accepted accounting principles. Changes to the recorded amount of such liabilities will be based on developments in the Chapter 11 Cases and management's assessment of the claim amounts that will ultimately be allowed by the Bankruptcy Court. Changes to pre-petition liabilities subsequent to the Filing Date reflect: 1) cash payments under approved court orders; 2) the accrual of interest on pre-petition debt at the pre-petition contractual rate; 3) accruals for employee-related programs; and 4) changes in estimates related to pre-petition contingent liabilities and assets.

Set forth below is a reconciliation of the changes in pre-filing date liability balances for the period from the Filing Date through November 30, 2003.

<i>(Dollars in millions)</i>	<b>Current Month</b>	<b>Cumulative Since Filing</b>
Balance, beginning of period .....	<b>\$ 2,379.5</b>	\$ 2,366.0
Cash disbursements and/or reclassifications under bankruptcy court orders:		
Freight and distribution order ...	--	(5.7)
Trade accounts payable order ...	--	(9.1)
Other court orders including employee wages and benefits, sales and use tax and customer programs .....	<b>(2.4)</b>	(176.5)
Expense/(income) items:		
Interest on pre-petition debt .....	<b>1.0</b>	45.9
Current period employment-related accruals .....	<b>0.2</b>	25.6
Change in estimate of environmental contingencies	--	129.0
Change in estimate of income tax contingencies .....	--	26.7
Balance sheet reclassifications .....	<b>0.3</b>	(23.3)
Balance, end of period .....	<b>\$ 2,378.6</b>	\$ 2,378.6

Pre-Filing Date obligations allowable under current court orders and expected to be paid prior to an adopted plan or reorganization are classified as "liabilities not subject to compromise." Additional liabilities subject to compromise may arise due to the rejection of executory contracts or unexpired leases, or as a result of the allowance of contingent or disputed claims.

### 3. Other Balance Sheet Accounts

<i>(Dollars in millions)</i>	<b>November 30, 2003</b>	<b>Filing Date</b>
<b>Accounts and other receivables, net</b>		
Trade receivables, less allowance of \$0.9 (Filing Date - \$0.7) .....	\$ 105.3	\$ 32.3
Other receivables, less allowance of \$1.7 (Filing Date - \$2.1) .....	7.0	11.5
	<b>\$ 112.3</b>	<b>\$ 43.8</b>
<b>Inventories</b>		
Raw materials .....	\$ 20.7	\$ 20.3
In process .....	22.3	16.2
Finished products .....	64.8	63.8
General merchandise .....	11.6	9.6
Less: Adjustment of certain inventories to a last-in/first-out (LIFO) basis .....	(35.8)	(29.3)
	<b>\$ 83.6</b>	<b>\$ 80.6</b>
<b>Other Assets</b>		
Deferred pension costs .....	\$ 5.3	\$ 227.9
Deferred charges .....	29.6	40.4
Long-term receivables .....	7.8	1.9
Long-term investments .....	-	2.1
Patents, licenses and other intangible assets .....	17.6	25.2
Pension - unamortized prior service cost .....	26.4	8.1
Other assets .....	1.8	2.9
	<b>\$ 88.5</b>	<b>\$ 308.5</b>
<b>Other Current Liabilities</b>		
Accrued compensation .....	\$ 20.5	\$ --
Accrued commissions .....	6.0	--
Customer programs .....	15.1	--
Accrued utilities .....	0.1	--
Accrued freight .....	2.7	--
Other accrued liabilities .....	8.9	--
	<b>\$ 53.3</b>	<b>\$ --</b>
<b>Other Liabilities</b>		
Deferred royalty income-nonfiling entities .....	1.0	31.8
Pension - underfunded plans .....	204.4	--
Other accrued liabilities .....	1.3	--
	<b>\$ 206.7</b>	<b>\$ 31.8</b>
<b>Liabilities Subject to Compromise</b>		
Other postretirement benefits ...	\$ 135.1	\$ 185.4
Environmental remediation .....	242.9	164.8
Retained obligations of divested businesses .....	56.7	75.5
Special pension arrangements ..	76.3	70.8
Deferred compensation .....	5.2	8.2
Self insurance reserve .....	23.5	11.8
Other accrued liabilities .....	57.4	82.1
	<b>\$ 597.1</b>	<b>\$ 598.6</b>

#### 4. Life Insurance

Grace is the beneficiary of life insurance policies on certain current and former employees with a net cash surrender value of \$89.0 million at November 30, 2003. The policies were acquired to fund various employee benefit programs and other long-term liabilities and are structured to provide cash flow (primarily tax-free) over an extended number of years. The following table summarizes the net cash value at November 30, 2003 and Filing Date:

Components of Net Cash Value	November 30, 2003	Filing Date
Gross cash value.....	\$ 473.9	\$ 453.7
Principal – policy loans .....	(365.3)	(390.3)
Accrued interest – policy loans....	(19.6)	0.7
Net cash value.....	\$ 89.0	\$ 64.1
Insurance benefits in force.....	\$ 2,210.5	\$2,286.0

Grace's financial statements display income statement activity and balance sheet amounts on a net basis, reflecting the contractual interdependency of policy assets and liabilities.

#### 5. Debt

On November 30, 2003, and Filing Date, Grace's debt was as follows:

Components of Debt (Dollars in millions)	November 30, 2003	Filing Date
<b>Debt payable within one year</b>		
DIP facility .....	\$ --	\$ --
Other short-term borrowings .....	--	--
	\$ --	\$ --
<b>Debt payable after one year</b>		
DIP facility .....	\$ --	\$ --
Other long-term borrowings .....	--	--
	\$ --	\$ --
<b>Debt Subject to Compromise</b>		
Bank borrowings .....	\$ 500.0	\$ 500.0
8.0% Notes Due 2004 .....	--	5.7
7.75% Notes Due 2002 .....	--	2.0
Other borrowings .....	1.2	1.2
Accrued interest .....	48.1	2.6
	\$ 549.3	\$ 511.5

In April 2001, the Debtors entered into the DIP facility for a two-year term in the aggregate amount of \$250 million. The DIP facility is secured by a priority lien on substantially all assets of the Debtors, and bears interest based on LIBOR. The Debtors' have extended the term of the DIP facility

for up to an additional three years through April 1, 2006, and modified certain other provisions. Grace had no outstanding borrowings under the DIP facility as of November 30, 2003; however, \$25.8 million of standby letters of credit were issued and outstanding under the facility. The letters of credit, which reduce available funds under the facility, were issued mainly for trade-related matters such as performance bonds and certain insurance and environmental matters.

The 7.75% Notes were repaid on June 11, 2001, and the 8.0% Notes were repaid on August 15, 2001, by the unaffiliated guarantor of the Notes. Grace's liability with respect to these notes is included in other liabilities subject to compromise as of November 30, 2003.

## **Bank Statements**

TS

W R GRACE & CO  
C/O CORPORATE ACCOUNTING  
7500 GRACE DRIVE  
COLUMBIA MD 21044-4098

Account No: 910-1-013572  
Statement Start Date: 01 OCT 2003  
Statement End Date: 31 OCT 2003  
Statement Code: 000-USA-21  
Statement No: 010

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TRANSACTIONS				BALANCES				ENCLOSURES			
Total Credits	2	176,000.00		Opening (01 OCT 2003)		Closing (31 OCT 2003)		Credits			
Total Debits (incl. checks)	22	230,520.09		Ledger		Ledger		Debits			
Total Checks Paid	0	0.00		Collected		Collected		Checks			

Ledger Date	Adj Ledger Date	Value Date	F	Reference	Debit	Credit	Description	Closing Balance	Amount
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<b>CREDITS</b>									
10OCT		10OCT	USD	YOUR: CAP OF 03/10/10 OUR: 1751300283JO	100,000.00		BOOK TRANSFER CREDIT B/O: W.R. GRACE AND COMPANY CAMBRIDGE MA 02140-		
28OCT		28OCT	USD	YOUR: CAP OF 03/10/28 OUR: 0632400301JO	76,000.00		REF: CHASE MEDICAL ACCT FUNDING BOOK TRANSFER CREDIT B/O: W.R. GRACE AND COMPANY CAMBRIDGE MA 02140-		

<b>DEBITS</b>									
01OCT	30SEP	30SEP	USD	OUR: 0327400095WA	6,044.63		GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 09/30/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098		
02OCT	01OCT	01OCT	USD	OUR: 0327500093WA	18,302.08		GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 10/01/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098		
03OCT	02OCT	02OCT	USD	OUR: 0327600094WA	9,813.70		GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 10/02/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098		

FT CODE: USD - SAME DAY FUNDS US1 - ONE DAY FLOAT US3 - THREE DAY FLOAT US5 - FIVE DAY FLOAT  
USDN - NEXT DAY FUNDS US2 - TWO DAY FLOAT US4 - FOUR DAY FLOAT USM - MIXED FLOAT

PLEASE EXAMINE THIS STATEMENT OF ACCOUNT AT ONCE. THE MAINTENANCE OF THIS ACCOUNT IS SUBJECT TO THE PROVISIONS OF THE NEW YORK UNIFORM COMMERCIAL CODE AND THE BANK'S TERMS AND CONDITIONS FOR BUSINESS ACCOUNTS AND SERVICES. THE BANK DISCLAIMS RESPONSIBILITY FOR ANY ERROR IN OR IMPROPER CHARGE TO THE ACCOUNT AS RENDERED UNLESS INFORMED IN WRITING OF THIS ERROR OR CHARGE WITHIN SIXTY DAYS OF THE DELIVERY, MAILING OR AVAILABILITY OF THE STATEMENT AND CANCELED VOUCHERS. KINDLY REFER TO THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS STATEMENT IN ORDER TO DIRECT YOUR INQUIRIES TO THE PROPER DEPARTMENT FOR PROMPT ACTION.

<b>LEDGER BALANCES</b>									
01OCT					133,475.36				
02OCT					115,173.28				
03OCT					105,359.58				
06OCT					97,739.35				
07OCT					89,326.80				
08OCT					79,158.63				
09OCT					69,308.08				
10OCT					160,513.24				
14OCT					148,464.06				
15OCT					136,432.03				
16OCT					121,291.44				
17OCT					112,624.49				
20OCT					105,659.13				
21OCT					92,780.29				
22OCT					78,881.43				
23OCT					65,369.46				
24OCT					54,755.46				
27OCT					49,267.17				
28OCT					112,436.50				
29OCT					106,596.49				
30OCT					95,206.54				
31OCT					84,999.90				

<b>COLLECTED BALANCES</b>									
01OCT					133,475.36				
02OCT					115,173.28				
03OCT					105,359.58				
06OCT					97,739.35				
07OCT					89,326.80				